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C O N F I D E N T I A L SECTION 01 OF 02 DUBLIN 000213

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SUBJECT: IRELAND'S JUNE 5 ELECTIONS: BAD TIDINGS FOR THE
RULING COALITION

REF: A. DUBLIN 156

[1](#)B. DUBLIN 127

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Classified By: CDA Robert Faucher. Reasons 1.4(b/d).

[1](#)1. (C) Summary: Irish voters are expected to show up in significant numbers for the June 5 local and European Parliament elections, but to register dissatisfaction with the Irish government's performance rather than as a reflection of increased interest in who represents them in Brussels. We expect Fianna Fail, the leading party in the government coalition, to take a drubbing in the elections and lose both of the by-elections for seats in the national parliament. It won't get any easier after June as even bigger political challenges loom -- the October 2009 re-run of the Lisbon Treaty referendum and the introduction of another austerity budget in December. The ruling government coalition will probably hold on through the end of the year, but the likelihood of an early national election in 2010 increases if the Lisbon Treaty is again voted down or the blowback from the government's expected draconian December budget puts too much pressure on Fianna Fail backbenchers and the coalition partner Green Party. End Summary.

Fianna Fail Tanks

[1](#)2. (SBU) The Fianna Fail/Green Party coalition has recorded the lowest satisfaction rating of any Irish government since polling began in the early 1980s. According to a May 29 Irish Times poll, only 12 percent of those polled were satisfied with the government. Support for Fine Gael, the main opposition party, is at 36 percent. Fianna Fail's support stands at 20 percent. The Green Party's support is three percent. Prime Minister Brian Cowen's approval rating is 21 percent. The Labour Party's support of 23 percent is particularly significant because Fianna Fail -- for the first time in the Republic's 87 history -- is the third most popular party.

[1](#)3. (SBU) The falling fortunes of Fianna Fail have prompted senior Green Party officials to speak openly about differences with their much larger coalition partner. Senator Dan Boyle, the Green Party's economic spokesman, recently described some government policies as being "a disaster" and said that "the policies pursued have not been Green Party policies, yet we now find ourselves in Government having to deal with their consequences." Following this comment, Cowen said that the "Programme for Government" (the government's platform) would be reviewed following the June elections, presumably with an eye to ensuring on-going Green Party support.

Three Types of Elections/Three Ways to Lose

¶4. (C) In the elections for local county and city councils, Fianna Fail will likely lose upwards of 100 seats it currently holds throughout the country. (Note: There are 883 seats up for grabs. End note.) However, since all political power emanates from the national Parliament (the Dail), the expected poor showing will not materially affect Fianna Fail's ability to govern the country. Nonetheless, it will confirm what most Irish already suspect -- that Fianna Fail could not win a general election if it were held today.

¶5. (C) In the European Parliament election, Fianna Fail looks set to hold on to at least three of the four seats it currently holds of a total of 12 seats for Ireland. However, the results of this vote will have little, if any, impact on the Irish political landscape. Libertas' Declan Ganley, who spearheaded the successful 2008 "No" campaign on the question of Lisbon Treaty ratification (Ref B), is unlikely to be elected in his bid for a seat in Brussels. The latest poll shows that Ganley has about nine percent of the vote in the Ireland North West constituency -- notwithstanding his effectiveness as a campaigner -- about half of what he needs to get in

¶6. (C) Two key by-elections for vacant Irish Parliamentary seats will be the most important contests with respect to the staying power of a Fianna Fail-led government. Opposition candidates are currently leading in both by-election constituencies. Fine Gael leads in Dublin South and in Dublin Central former Prime Minister Bertie Ahern's brother Maurice Ahern trails both the Labour and Fine Gael candidates.

Parliamentary Math -- the Greens as Kingmakers?

¶7. (C) If Fianna Fail loses the by-elections, the Fianna

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Fail/Green Party/Independents parliamentary majority will be painfully eroded. The coalition will still hold a majority of four seats, but with the Greens holding six and the Independents holding five, a defection by either group could bring down the government. It is unlikely that the Independents would walk out as they have close ties to Fianna Fail, but the Greens -- as evidenced by Senator Boyle's recent comments -- have become less enchanted with their bigger political partner and could force Fianna Fail to grant them a much larger role within the coalition. It is likely that Fianna Fail leadership will be much more solicitous of Green-sponsored legislation and initiatives, which could exacerbate problems in Ireland and the EU for U.S. initiatives such as biotechnology.

Big Challenges on the Horizon

¶8. (C) Coming off an expected poor showing in the June 5 elections, Fianna Fail will have to rally to manage two big political challenges later in the year. The re-run of the Lisbon Treaty referendum -- expected in October -- will be another test of the government and Prime Minister Brian Cowen's ability to "bring in the vote" on a critical issue. A recent Irish Times poll showed that, of those registering a preference, 64.5 percent would vote "Yes" and 39.5 percent would vote "No." This compares to a November 2008 poll where the corresponding figures were 52.5 percent "Yes" and 47.5 percent "No." In addition, Libertas leader Declan Ganley, who bank-rolled the "No" campaign during the May 2008 defeat of the Lisbon Treaty, has publicly vowed to "go back to farming" if he loses the European Parliament election. If he does withdraw from politics, a formidable, well heeled opponent of the Lisbon Treaty would vanish. Moreover, a senior leader of the political party Sinn Fein, which also opposed the Treaty in May 2008, has privately indicated to POLOFF that Sinn Fein may maintain a neutral stance on the Treaty in the next referendum if the guarantees offered by Brussels to protect Irish interests are sufficiently strong.

(Comment: These factors would seem to increase the likelihood that the Treaty will pass in the second go-around. However, it is not certain that government complacency, identified as a major factor in the defeat of the Treaty in the May 2008 referendum, will be overcome. End comment.)

¶9. (C) While the outcome of the referendum is certainly important to the government with respect to its standing in Europe, the next huge domestic test will be the introduction of the December 2009 budget. Following the April 2009 supplementary budget (Ref A), December's installment promises to include heavy spending cuts in politically-sensitive entitlement programs. There will be a major hue-and-cry from the Irish public, supplemented by a heavy dose of encouragement from the opposition parties. Faced with a slim parliamentary majority, the big question will be whether the Fianna Fail leadership can keep its troops in line and maintain the support of its Green Party partners.

Comment

¶10. (C) We think it unlikely that the governing coalition will fall before the end of year. Fine Gael has little interest in pressing for a general election now, preferring to leave Fianna Fail in the hot seat as the economy worsens and the need for harsh budget grows. Fine Gael and Labour may press their advantage and seek to precipitate a general election in 2010 -- after the budget but before glimmers of an Irish economic recovery can resuscitate Fianna Fail -- particularly if the Green Party wavers in its commitment to the coalition.

FAUCHER